

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 OES-03 XMB-02 EB-07 COME-00 TRSE-00

CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01

SP-02 ERDA-05 FEA-00 NRC-05 AID-05 /054 W

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R 140906Z JAN 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 1178

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E.O. 11652: N/A

TAGS: ENRG, RP

SUBJECT: GO SIGNAL FOR NUCLEAR POWER

REF: 75 MANILA 18004

1. PRESIDENT MARCOS HAS ORDERED CENTRAL BANK GOVERNOR LICAROS TO GO AHEAD WITH FINANCING OF UNGUARANTEED PORTION OF COMMERCIAL LOAN FOR NUCLEAR POWER PROJECT AS WELL AS BALANCE OF PAYMENTS LOAN. THIS DECISION WAS REACHED YESTERDAY MORNING AT MALACANANG ACCORDING TO MR. JOSE DE CUBIS, FORMER PRESIDENT OF WESTINGHOUSE INTERNATIONAL AND PRESENTLY A CONSULTANT WITH KUHN-LOEB INVESTMENT HOUSE.

2. MR. DE CUBIS CALLED ON AMBASSADOR SULLIVAN THIS DATE TO RELATE RESULTS OF THAT MEETING WHICH HE ATTENDED. HE SAID THE PHILIPPINES WILL SEEK ALL 250 MILLION DOLLARS (SEE REFTEL) OF THE COMMERCIAL LOAN FOR THE NUCLEAR POWER PLANT PLUS 400 MILLION DOLLARS FOR A BALANCE OF PAYMENTS LOAN SIMULTANEOUSLY. (EMBASSY HAS HEARD RUMORS OF ANYWHERE FROM 150 MILLION TO 700 MILLION FOR BOP LOAN). THE SYNDICATIONS WILL PROBABLY GO TO THE MARKET IN MID-FEBRUARY WITH CITIBANK THE LEAD BANK FOR THE NUCLEAR PROJECT AND MANUFACTURERS HANOVER TRUST THE LEAD BANK FOR THE

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BALANCE OF PAYMENTS LOAN.

3. MARCOS MADE IT CLEAR IN THE MEETING, ACCORDING TO DE CUBIS, THAT HE WANTED THE NUCLEAR POWER PROJECT TO GO AHEAD QUICKLY AND WITHOUT HITCHES. TO THIS END HE NAMED UNDERSECRETARY OF INDUSTRY GABRIEL ITCHONG ACTION OFFICER FOR THE PROJECT, INDICATING THAT THE BIG THREE, VIRATA, LICAROS, AND PATERNO, WERE ALL TOO OCCUPIED TO DEVOT EHT EFFORT HE EXPECTED TO THIS PROJECT. DE CUBIS SAID PATERNO IS STILL VERY MUCH AGAINST THE NUCLEAR PROJECT BUT THAT HE HAS BEEN OVER-RULED. PATERNO COMMENTED AT THE MEETING THAT THE STEEL MILL AND THE BLAST FURNACE PROJECT, (TO BE CO-LOCATED WITH KAWASAKE IRON ORE SINTERING PLANT NEAR CAGAYAN DE ORO IN MINDANAO) WILL NOW HAVE TO BE DEFERRED.

4. LEN SABOL, LOCAL REPRESENTATIVE FOR WESTINGHOUSE, WHO ACCOMPANIED DE CUBIS IN HIS CALL ON THE AMBASSADOR, SAID THAT HE HAD BEEN FORMALLY NOTIFIED BY THE NATIONAL POWER CORPOTATION YESTERDAY AFTERNOON THAT IT WILL CONSUMMATE ITS CONTRACT WITH WESTINGHOUSE QUOTE WITHIN THIRTY DAYS UNQUOTE.

5. DE CUBIS SAID THAT MALACANANG EXPECTS TO MAKE AN OFFICIAL ANNOUNCEMENT OF THIS DECISION ON JANUARY 21. IN THE MEANTIME, THE EMBASSY WILL BE SEEKING CONFIRMATION OF THE ABOVE INFORMATION AND WILL BE REPORTING ON THE OFFICIAL ANNOUNCEMENT WHEN IT OCCURS.

SULLIVAN

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Message Attributes

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